

Tax cuts put money into the pockets of Valley families and play a key role in spurring economic growth. That's why we must do everything we can to ease the tax burden on Valley residents and businesses.

The Recovery Act reduced taxes by almost \$100 billion last year and by \$220 billion this year. For Valley families, that translated into significantly lower taxes and larger refunds. 98% of California's working families benefited from these tax cuts in 2009 and working individuals received \$1,231, on average, from these breaks.

The following are just a few examples of the tax relief benefiting the Valley.

Making Work Pay Tax Cut: Provides immediate and sustained tax relief to workers and their families through the Making Work Pay tax credit, a refundable tax credit of up to \$400 per worker (\$800 per couple filing jointly), phasing out completely at \$190,000 for couples filing jointly and \$95,000 for single filers in 2009 and 2010. The credit provides over 110 million working families—about 95%—the tax relief they need right now and is being distributed largely by reducing tax withholding from workers' paychecks beginning April 1, 2009.

Child Tax Credit: Cuts taxes for the families of more than 16 million children through an expansion of the child tax credit. This provides a new tax cut for more than 6 million children, and increases the existing credit for more than 10 million children.

Earned Income Tax Credit: Expands the Earned Income Tax Credit by providing tax relief to families with three or more children and increasing marriage penalty relief.

American Opportunity College Tax Credit: Helps more than 4 million additional students attend college with a new, \$2,500 tax credit for families, which is partially refundable. As a result, the nearly one-fifth of high school seniors who currently receive no tax credit will receive a tax cut to make college affordable for the first time. These tax credits phase out completely at \$90,000 for individuals and \$180,000 for couples filing jointly.

Alternative Minimum Tax Relief: Protects 26 million middle-class families from being hit by the alternative minimum tax.

As we work to secure more water and get our economy going again, I will continue to support tax cuts and common sense measures that benefit our working and middle-class families.